

CHAIRMAN'S MARK
(AMENDMENT TO H.R. 1316)
OFFERED BY MR. NEY

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “527 Fairness Act of
3 2005”.

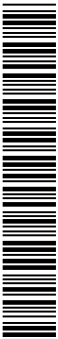
4 SEC. 2. REPEAL OF AGGREGATE LIMIT ON CONTRIBUTIONS
5 BY INDIVIDUALS.

6 (a) REPEAL OF LIMIT.—Section 315(a) of the Fed-
7 eral Election Campaign Act of 1971 (2 U.S.C. 441a(a))
8 is amended by striking paragraph (3).

9 (b) CONFORMING AMENDMENTS.—

10 (1) INDEXING.—Section 315(c) of such Act (2
11 U.S.C. 441a(c)) is amended by striking “(a)(3),”
12 each place it appears in paragraphs (1)(B)(i),
13 (1)(C), and (2)(B)(ii).

14 (2) INCREASE IN LIMITS FOR SENATE CAN-
15 DIDATES FACING WEALTHY OPPONENTS.—Section
16 315(i)(1)(C) of such Act (2 U.S.C. 441a(i)(1)(C)) is
17 amended—



1 (A) by amending clause (i) to read as fol-
2 lows:

3 “(i) 2 times the threshold amount, but
4 not over 4 times that amount, the in-
5 creased limit shall be 3 times the applica-
6 ble limit;”;

7 (B) by amending clause (ii) to read as fol-
8 lows:

9 “(ii) 4 times the threshold amount,
10 but not over 10 times that amount, the in-
11 creased limit shall be 6 times the applica-
12 ble limit; and”; and

13 (C) in clause (iii)—

14 (i) by adding “and” at the end of sub-
15 clause (I),

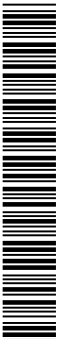
16 (ii) by striking subclause (II), and

17 (iii) by redesignating subclause (III)
18 as subclause (II).

19 (3) INCREASE IN LIMITS FOR HOUSE CAN-
20 DIDATES FACING WEALTHY OPPONENTS.—Section
21 315A(a)(1) of such Act (2 U.S.C. 441a—1(a)(1)) is
22 amended—

23 (A) by adding “and” at the end of sub-
24 paragraph (A);

25 (B) by striking subparagraph (B); and



1 (C) by redesignating subparagraph (C) as
2 subparagraph (B).

3 **SEC. 3. REPEAL OF LIMIT ON AMOUNT OF PARTY EXPENDI-**
4 **TURES ON BEHALF OF CANDIDATES IN GEN-**
5 **ERAL ELECTIONS.**

6 (a) REPEAL OF LIMIT.—Section 315(d) of the Fed-
7 eral Election Campaign Act of 1971 (2 U.S.C. 441a(d))
8 is amended—

9 (1) in paragraph (1)—

10 (A) by striking “(1) Notwithstanding” and
11 inserting “Notwithstanding”,

12 (B) by striking “expenditures or limita-
13 tions on” and inserting “amounts of expendi-
14 tures or contributions”, and

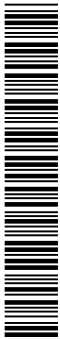
15 (C) by striking “Federal office, subject to
16 the limitations contained in paragraphs (2), (3),
17 and (4) of this subsection” and inserting “Fed-
18 eral office in any amount”; and

19 (2) by striking paragraphs (2), (3), and (4).

20 (b) CONFORMING AMENDMENTS.—

21 (1) INDEXING.—Section 315(c) of such Act (2
22 U.S.C. 441a(c)) is amended—

23 (A) in paragraph (1)(B)(i), by striking
24 “(d),”; and



1 (B) in paragraph (2)(B)(i), by striking
2 “subsections (b) and (d)” and inserting “sub-
3 section (b)”.

4 (2) INCREASE IN LIMITS FOR SENATE CAN-
5 DIDATES FACING WEALTHY OPPONENTS.—Section
6 315(i) of such Act (2 U.S.C. 441a(i)(1)) is
7 amended—

8 (A) in paragraph (1)(C), as amended by
9 section 2(b)(2)(C), by amending clause (iii) to
10 read as follows:

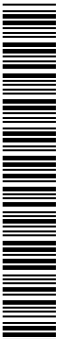
11 “(iii) 10 times the threshold amount,
12 the increased limit shall be 6 times the ap-
13 plicable limit.”;

14 (B) in paragraph (2)(A) in the matter pre-
15 ceding clause (i), by striking “, and a party
16 committee shall not make any expenditure,”;

17 (C) in paragraph (2)(A)(ii), by striking
18 “and party expenditures previously made”; and

19 (D) in paragraph (2)(B), by striking “and
20 a party shall not make any expenditure”.

21 (3) INCREASE IN LIMITS FOR HOUSE CAN-
22 DIDATES FACING WEALTHY OPPONENTS.—Section
23 315A(a) of such Act (2 U.S.C. 441a—1(a)) is
24 amended—



1 (A) in paragraph (1), as amended by sec-
2 tion 2(b)(3), by striking “exceeds \$350,000—”
3 and all that follows and inserting the following:
4 “exceeds \$350,000, the limit under subsection
5 (a)(1)(A) with respect to the candidate shall be
6 tripled.”;

7 (B) in paragraph (3)(A) in the matter pre-
8 ceding clause (i), “, and a party committee
9 shall not make any expenditure,”;

10 (C) in paragraph (3)(A)(ii), by striking
11 “and party expenditures previously made”; and

12 (D) in paragraph (3)(B), by striking “and
13 a party shall not make any expenditure”.

14 **SEC. 4. INCREASE IN CONTRIBUTION LIMITS FOR POLIT-**
15 **ICAL COMMITTEES.**

16 (a) CONTRIBUTIONS TO POLITICAL COMMITTEES.—
17 Section 315(a)(1)(C) of the Federal Election Campaign
18 Act of 1971 (2 U.S.C. 441a(c)(1)(C)) is amended by strik-
19 ing “\$5,000” and inserting “\$7,500”.

20 (b) CONTRIBUTIONS MADE BY MULTICANDIDATE
21 COMMITTEES.—Section 315(a)(2) of such Act (2 U.S.C.
22 441a(a)(2)) is amended—

23 (1) in subparagraph (A), by striking “\$5,000”
24 and inserting “\$7,500”;



1 (2) in subparagraph (B), by striking “\$15,000”
2 and inserting “\$25,000”; and
3 (3) in subparagraph (C), by striking “\$5,000”
4 and inserting “\$7,500”.

5 **SEC. 5. INDEXING OF ALL CONTRIBUTION LIMITS.**

6 (a) IN GENERAL.—Section 315(c)(1)(B) of the Fed-
7 eral Election Campaign Act of 1971 (2 U.S.C.
8 441a(c)(1)(B)) is amended to read as follows:

9 “(B) Except as provided in subparagraph (C)—

10 “(i) in any calendar year after 2002—

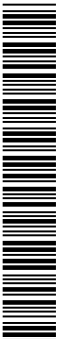
11 “(I) a limitation established by subsection
12 (a)(1)(A), (a)(1)(B), (b), or (h) shall be in-
13 creased by the percent difference under sub-
14 paragraph (A),

15 “(II) each amount so increased shall re-
16 main in effect for the calendar year, and

17 “(III) if any amount after the adjustment
18 made under subclause (I) is not a multiple of
19 \$100, such amount shall be rounded to the
20 nearest multiple of \$100; and

21 “(ii) in any calendar year after 2006—

22 “(I) a limitation established by subsection
23 (a)(1)(C), (a)(1)(D), or (a)(2) shall be in-
24 creased by the percent difference under sub-
25 paragraph (A),



1 “(II) each amount so increased shall re-
2 main in effect for the calendar year, and

3 “(III) if any amount after the adjustment
4 made under subclause (I) is not a multiple of
5 \$100, such amount shall be rounded to the
6 nearest multiple of \$100.”.

7 (b) PERIOD OF INCREASE.—Section 315(c)(1)(C) of
8 such Act (2 U.S.C. 441a(c)(1)(C)), as amended by section
9 2(b)(1), is amended by striking “subsections (a)(1)(A),
10 (a)(1)(B), and (h)” and inserting “subsections (a) and
11 (h)”.

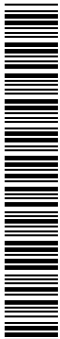
12 (c) DETERMINATION OF BASE YEAR.—Section
13 315(c)(2)(B) of such Act (2 U.S.C. 441a(c)(2)(B)) is
14 amended—

15 (1) by striking “and” at the end of clause (i);

16 (2) by striking the period at the end of clause
17 (ii) and inserting “; and”; and

18 (3) by adding at the end the following new
19 clause:

20 “(iii) for purposes of subsections (a)(1)(C),
21 (a)(1)(D), and (a)(2), calendar year 2005.”.



1 **SEC. 6. PERMITTING TRANSFERS BETWEEN LEADERSHIP**
2 **COMMITTEES AND NATIONAL PARTY COM-**
3 **MITTEES.**

4 Section 315(a)(4) of the Federal Election Campaign
5 Act of 1971 (2 U.S.C. 441a(a)(4)) is amended—

6 (1) by striking “(4)” and inserting “(4)(A)”;

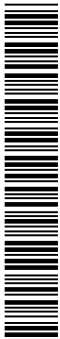
7 and

8 (2) by adding at the end the following new sub-
9 paragraph:

10 “(B) The limitations on contributions contained in
11 paragraphs (1) and (2) do not apply to transfers between
12 a leadership committee of an individual holding Federal
13 office and political committees established and maintained
14 by a national political party. For purposes of the previous
15 sentence, the term ‘leadership committee’ means, with re-
16 spect to an individual holding Federal office, an unauthor-
17 ized political committee which is associated with such indi-
18 vidual but which is not affiliated with any authorized com-
19 mittee of such individual.”.

20 **SEC. 7. INCREASE IN THRESHOLD OF CONTRIBUTIONS AND**
21 **EXPENDITURES REQUIRED FOR DETER-**
22 **MINING TREATMENT AS POLITICAL COM-**
23 **MITTEE.**

24 (a) IN GENERAL.—Section 301(4)(A) of the Federal
25 Election Campaign Act of 1971 (2 U.S.C. 431(4)(A) is



1 amended by striking “\$1,000” each place it appears and
2 inserting “\$10,000”.

3 (b) LOCAL POLITICAL PARTY COMMITTEES.—

4 (1) CONTRIBUTIONS RECEIVED.—Section
5 301(4)(C) of such Act (2 U.S.C. 431(4)(C)) is
6 amended by striking “\$5,000” each place it appears
7 and inserting “\$10,000”.

8 (2) CONTRIBUTIONS OR EXPENDITURES
9 MADE.—Section 301(4)(C) of such Act (2 U.S.C.
10 431(4)(C) is amended by striking “\$1,000” and in-
11 serting “\$10,000”.

12 **SEC. 8. PROHIBITING CONTRIBUTIONS AND DONATIONS TO**
13 **SECTION 527 ORGANIZATIONS BY FOREIGN**
14 **NATIONALS.**

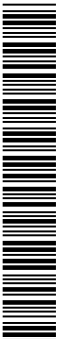
15 (a) IN GENERAL.—Section 319(a)(1) of the Federal
16 Election Campaign Act of 1971 (2 U.S.C. 441e(a)(1)) is
17 amended—

18 (1) by striking “or” at the end of subparagraph

19 (B);

20 (2) by redesignating subparagraph (C) as sub-
21 paragraph (D); and

22 (3) by inserting after subparagraph (B) the fol-
23 lowing new subparagraph:



1 “(C) a contribution or donation to an orga-
2 nization described in section 527 of the Internal
3 Revenue Code of 1986; or”.

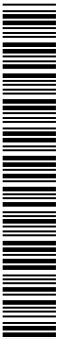
4 (b) CONFORMING AMENDMENT REGARDING SOLICI-
5 TATION OF FUNDS.—Section 319(a)(2) of such Act (2
6 U.S.C. 441e(a)(2)) is amended by striking “(A) or (B)”
7 and inserting “(A), (B), or (C)”.

8 **SEC. 9. REQUIRING SECTION 527 ORGANIZATIONS TO SUB-**
9 **MIT REPORTS UNDER FEDERAL ELECTION**
10 **CAMPAIGN ACT OF 1971.**

11 Section 304(a) of the Federal Election Campaign Act
12 of 1971 (2 U.S.C. 434(a)) is amended by adding at the
13 end the following new paragraph:

14 “(13)(A) Except as provided in subparagraph (B),
15 each organization described in section 527 of the Internal
16 Revenue Code of 1986 shall submit a report under this
17 section in the same manner, under the same terms and
18 conditions, and at the same times applicable to a political
19 committee which is not an authorized committee of a can-
20 didate or a national committee of a political party.

21 “(B) Subparagraph (A) does not apply to an organi-
22 zation described in section 527(j)(5)(B) of the Internal
23 Revenue Code of 1986 (relating to a State or local com-
24 mittee of a political party or political committee of a State
25 or local candidate).”.



1 **SEC. 10. PERMITTING EXPENDITURES FOR ELECTION-**
2 **EERING COMMUNICATIONS BY CERTAIN OR-**
3 **GANIZATIONS.**

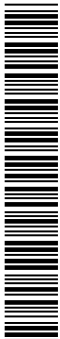
4 (a) PERMITTING ORGANIZATIONS TO MAKE EXPEND-
5 ITURES FOR CERTAIN TARGETED ELECTIONEERING COM-
6 MUNICATIONS.—Section 316(c) of the Federal Election
7 Campaign Act of 1971 (2 U.S.C. 441b(c)) is amended by
8 striking paragraph (6).

9 (b) EXPANDING TYPES OF ORGANIZATIONS ELIGI-
10 BLE TO MAKE EXPENDITURES.—

11 (1) IN GENERAL.—Section 316(c) of such Act
12 (2 U.S.C. 441b(c)) is amended by striking “section
13 501(c)(4) organization” each place it appears in
14 paragraphs (2), (3)(A), and (4)(B) and inserting
15 “section 501(c)(4), (5), or (6) organization”.

16 (2) DEFINITION.—Section 316(c)(4)(A)(i) of
17 such Act (2 U.S.C. 441b(c)(4)(A)(i)) is amended by
18 striking “section 501(c)(4) of the Internal Revenue
19 Code of 1986” and inserting “paragraph (4), (5), or
20 (6) of section 501(c) of the Internal Revenue Code
21 of 1986”.

22 (c) CLARIFICATION OF EFFECT ON TAX TREATMENT
23 OF EXPENDITURES.—Section 316(c)(5) of such Act (2
24 U.S.C. 441b(c)(5)) is amended by striking the period at
25 the end and inserting the following: “, or to affect the
26 treatment under such Code of any expenditures described



1 in section 527(e) of such Code which are made by a sec-
2 tion 501(c)(4), (5), or (6) organization.”.

3 **SEC. 11. EXPANDING ABILITY OF CORPORATIONS AND**
4 **LABOR ORGANIZATIONS TO COMMUNICATE**
5 **WITH MEMBERS.**

6 (a) TYPES OF COMMUNICATIONS PERMITTED.—Sec-
7 tion 316(b)(4)(B) of the Federal Election Campaign Act
8 of 1971 (2 U.S.C. 441b(b)(4)(B)) is amended by striking
9 “only by mail addressed” and inserting “only by commu-
10 nications addressed or otherwise delivered”.

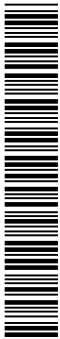
11 (b) SOLICITATIONS BY TRADE ASSOCIATIONS.—Sec-
12 tion 316(b)(4)(D) of such Act (2 U.S.C. 441b(b)(4)(D))
13 is amended by striking “to the extent that” and all that
14 follows and inserting a period.

15 **SEC. 12. PERMITTING STATE AND LOCAL POLITICAL PAR-**
16 **TIES TO USE NONFEDERAL FUNDS FOR**
17 **VOTER REGISTRATION AND SAMPLE BAL-**
18 **LOTS.**

19 (a) IN GENERAL.—Section 301(20) of the Federal
20 Election Campaign Act of 1971 (2 U.S.C. 431(20)) is
21 amended—

22 (1) in subparagraph (A), by striking clause (i)
23 and redesignating clauses (ii) through (iv) as clauses
24 (i) through (iii); and

25 (2) in subparagraph (B)—



1 (A) in clause (i), by striking “subpara-
2 graph (A)(i) or (ii)” and inserting “subpara-
3 graph (A)(i)”;

4 (B) by striking “and” at the end of clause
5 (iii);

6 (C) by striking the period at the end of
7 clause (iv); and

8 (D) by adding at the end the following new
9 clauses:

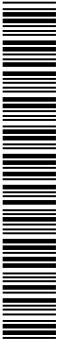
10 “(v) voter registration activities; and

11 “(vi) the costs incurred with the prep-
12 aration of a sample ballot for an election
13 in which a candidate for Federal office and
14 a candidate for State or local office ap-
15 pears on the ballot.”.

16 (b) CONFORMING AMENDMENTS.—(1) Section
17 304(f)(3)(B)(iv) of such Act (2 U.S.C. 434(f)(3)(B)(iv))
18 is amended by striking “section 301(20)(A)(iii)” and in-
19 serting “section 301(20)(A)(ii)”.

20 (2) Section 323 of such Act (2 U.S.C. 441i) is
21 amended—

22 (A) in subsection (b)(2)(A), by striking “clause
23 (i) or (ii)” and inserting “clause (i)”;



1 (B) in subsection (e)(4), by striking “clauses (i)
2 and (ii)” each place it appears in subparagraphs (A)
3 and (B) and inserting “clause (i)”; and
4 (C) in subsection (f), by striking “section
5 301(20)(A)(iii)” and inserting “section
6 301(20)(A)(ii)”.

7 **SEC. 13. CLARIFICATION OF AUTHORIZATION OF FEDERAL**
8 **CANDIDATES AND OFFICEHOLDERS TO AT-**
9 **TEND FUNDRAISING EVENTS FOR STATE OR**
10 **LOCAL POLITICAL PARTIES.**

11 Section 323(e)(3) of the Federal Election Campaign
12 Act of 1971 (2 U.S.C. 441i(e)(3)) is amended by striking
13 “speak,” and inserting “speak without restriction or regu-
14 lation,”.

15 **SEC. 14. MODIFICATION OF DEFINITION OF PUBLIC COM-**
16 **MUNICATION.**

17 (a) IN GENERAL.—Section 301(22) of the Federal
18 Election Campaign Act of 1971 (2 U.S.C. 431(22)) is
19 amended by adding at the end the following new sentence:
20 “Such term shall not include communications over the
21 Internet.”.

22 (b) EFFECTIVE DATE.—The amendment made by
23 subsection (a) shall take effect on the date of the enact-
24 ment of this Act.



1 **SEC. 15. TREATMENT OF CANDIDATE COMMUNICATIONS**
2 **CONTAINING ENDORSEMENT BY FEDERAL**
3 **CANDIDATE OR OFFICEHOLDER.**

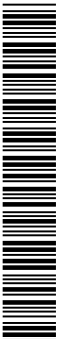
4 (a) IN GENERAL.—Section 315(a) of the Federal
5 Election Campaign Act of 1971 (2 U.S.C. 441a(a)) is
6 amended by adding at the end the following new para-
7 graph:

8 “(9)(A) For purposes of paragraph (7)(C), a dis-
9 bursement for an electioneering communication which re-
10 fers to a candidate for Federal office shall not be treated
11 as a disbursement which is coordinated with such can-
12 didate solely on the ground that the communication con-
13 tains a State or local endorsement or (in the case of a
14 communication containing a State or local endorsement)
15 that the candidate reviewed, approved, or otherwise par-
16 ticipated in the preparation and dissemination of the com-
17 munication.

18 “(B) In subparagraph (A), the term ‘State or local
19 endorsement’ means, with respect to a candidate for Fed-
20 eral office—

21 “(i) an endorsement by such candidate of a
22 candidate for State or local office or of another can-
23 didate for Federal office; or

24 “(ii) a statement of the position of such can-
25 didate on a State or local ballot initiative or ref-
26 erendum.”.



1 (b) CONFORMING AMENDMENT.—Section
2 315(a)(7)(C)(ii) of such Act (2 U.S.C. 441a(a)(7)(C)) is
3 amended by striking “such disbursement” and inserting
4 “subject to paragraph (9), such disbursement”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply with respect to elections occurring
7 on or after the date of the enactment of this Act.

8 **SEC. 16. SEVERABILITY.**

9 If any provision of this Act or any amendment made
10 by this Act, or the application of a provision or amend-
11 ment to any person or circumstance, is held to be uncon-
12 stitutional, the remainder of this Act and the amendments
13 made by this Act, and the application of the provisions
14 and amendments to any person or circumstance, shall not
15 be affected by the holding.

16 **SEC. 17. EFFECTIVE DATE.**

17 Except as otherwise provided, the amendments made
18 by this Act shall take effect January 1, 2006.

